LANCASHIRE HOLDINGS LIMITED

EXCELLENT PERFORMANCE ENABLES FURTHER CAPITAL RETURNS

6 March 2024
Hamilton, Bermuda

Lancashire Holdings Limited ("Lancashire" or "the Group") today announces its results for the year ended 31 December 2023.

Highlights:
- Profit after tax of $321.5 million resulting in Change in DBVS of 24.7%.
- Excellent operating performance drives an additional special dividend of $0.50 per common share.
- A 50% increase in our ordinary dividend policy reflecting a more diversified business model.
- Gross premiums written increased 16.9% year-on-year to $1.9 billion. Insurance revenue increased 23.9% year-on-year to $1.5 billion. Group Renewal Price Index (RPI) of 115%.
- Insurance service result of $382.1 million and combined ratio (undiscounted) of 82.6% and combined ratio (discounted) of 74.9%.
- Net investment return, including unrealised gains and losses, of 5.7%.

For the year ended	31 December 2023 $m	31 December 2022 $m
Highlights		
Gross premiums written	1,931.7	1,652.3
Insurance revenue	1,519.9	1,226.5
Insurance service result	382.1	141.6
Net investment return	160.5	(76.7)
Profit (loss) after tax	321.5	(15.5)
Financial ratios		
Net insurance ratio	65.1%	83.4%
Combined ratio (discounted)[1]	74.9%	90.2%
Combined ratio (undiscounted)[1]	82.6%	98.7%
Net investment return	5.7%	(3.5%)
Per Share data		
Diluted book value per share	$6.17	$5.48
Change in diluted book value per share	24.7%	(1.2%)
Dividends per common share paid in the financial year	$0.65	$0.15
Diluted earnings (loss) per share	$1.32	($0.06)

1. The combined ratio (discounted and undiscounted) is the ratio, in per cent, of the sum of net insurance expense plus all other operating expenses to net insurance revenue.

Alex Maloney, Group Chief Executive Officer, commented:
"Lancashire delivered an outstanding performance in 2023. We continued to focus on writing profitable business in the best market conditions we have seen for a decade.

Aligned to our belief in managing the market cycle, we have built a better balanced and more diverse underwriting portfolio over the past five years, which is generating more profit against our capital base. This has been one of our core strategic goals and will continue to be a focus going forwards.

Gross premiums written increased by 16.9%, and insurance revenue increased by 23.9%, during the year, due to a combination of new business and rate rises across our portfolio.

This focus on profitable growth has resulted in an excellent underwriting performance with a combined ratio (undiscounted) of 82.6%, or 74.9% on a discounted basis, with a net insurance services result of

$382.1 million. Our overall profit after tax for the year was $321.5 million resulting in a change in diluted book value per share of 24.7%.

Our investment portfolio also had a strong year and benefited from higher interest rates. The portfolio returned 5.7%, resulting in a net investment return of $160.5 million.

Lancashire is always led by the underwriting opportunity. We believe there are significant opportunities going into 2024 and we are well capitalised to be able to fund these through existing resources and internal earnings growth.

In light of the excellent financial performance in 2023, we are returning the majority of our earnings to shareholders.

While we did not complete the share buyback of up to $50 million announced in the third quarter of 2023, we are today announcing a special dividend of $0.50 per common share in part to reflect this as well as the strong operating performance and supportive outlook. This dividend follows the special dividend of $0.50 per common share paid in December 2023.

Additionally, given the increased resilience of our business model, we are announcing a change to our regular final and interim dividend policy. Our Board has declared a final dividend of $0.15 per common share, an increase of 50% from last year (and which is subject to shareholder approval at our AGM in May). It is also our current intention to increase the Group's ordinary interim dividend to $0.075 per common share. Our interim dividends are usually paid after the announcement of our results for the first six months of the year.

Lancashire remains focused on delivering its strategic objectives and continuing the growth and momentum we have built during 2023. Our franchise remains strong and we have fantastic teams across the Group who are dedicated to achieving our goals.

I would like to thank everyone at Lancashire for their hard work and commitment during 2023, and our shareholders, brokers, clients and other stakeholders for their continued support for our business."

Business update

Momentum continues for 2024

The market showed continued discipline at the 1 January renewals and we are happy with the outcome. From the supply side, we have seen no significant new entrants coming into the market and existing participants have shown willingness to support good quality business at the right level after a strong year in 2023. We are continuing to see growth in demand from clients due to inflationary pressures, helping mitigate some of the increased supply. Importantly, for catastrophe exposed reinsurance, attachment levels have remained a focus for the market, with sustained reluctance for low attaching layers. Within our non-catastrophe exposed products, almost all product lines remain in a very strong position from a rating adequacy perspective. Overall, for 2024 the market appears to be more stable, at healthier levels of profitability. We continue to remain disciplined in our underwriting, while taking advantage of the stronger market conditions.

Lancashire U.S.

During 2023, we announced the launch of Lancashire Insurance U.S., which will operate under a delegated underwriting arrangement with Lancashire's UK company platform. This development has been driven by the compelling underwriting opportunity that we see in the U.S. Excess and Surplus market. Lancashire Insurance U.S. will allow us to write business that we could not access before through new distribution channels and with new clients.

Delivering for our people

We are fundamentally a people business, and we believe that focusing on our people as part of our strategy is crucial to our ongoing success. We instil high expectations in our people and aim to offer a culture that is diverse, unique and special. The growth we have seen over the past few years has increased the scope of the opportunities available. We also want to reward people for their hard work and during 2023 we made 46 internal promotions across the Group.

Our 2023 employee survey showed strong support for our culture and the experience we offer our people. Our highest scores were for being proud to work at Lancashire at 94%, while 92% of people said they are motivated to do their best work and would recommend Lancashire as a great place to work.

Delivering for our communities
Since it was founded in 2007, the Lancashire Foundation has donated over $23 million to charities and in 2023 it distributed $700,000 across a range of causes. This included smaller donations totalling $56,000 to charitable organisations personally nominated by our employees. In November 2023, 12 employees also volunteered their time for Project Transform, travelling to Tanzania to assist with a construction project. We look forward to continuing these activities in 2024 and beyond.

Bermuda corporate income tax
During 2024, the Group will continue to assess the potential impact of the Economic Transition Adjustment introduced by the recent Bermuda Corporate Income Tax legislation. Based on its current plans, the Group does not anticipate that it will become subject to Bermuda corporate income tax until 1 January 2030, as it expects to fall within the exclusion within the Bermuda corporate income tax rules that means groups with a limited international presence are excluded from scope for a period of up to five years.

Underwriting results

For the year ended	31 December 2023			31 December 2022		
	Reinsurance $m	Insurance $m	Total $m	Reinsurance $m	Insurance $m	Total $m
Gross premium written	967.5	964.2	1,931.7	842.1	810.2	1,652.3
RPI%	122%	110%	115%	108%	108%	108%
Insurance revenue	714.9	805.0	1,519.9	560.4	666.1	1,226.5
Insurance service expenses	(254.2)	(442.0)	(696.2)	(528.3)	(466.3)	(994.6)
Insurance service result before reinsurance contracts held	**460.7**	**363.0**	**823.7**	**32.1**	**199.8**	**231.9**
Allocation of reinsurance premium	(174.6)	(250.2)	(424.8)	(152.7)	(219.1)	(371.8)
Amounts recoverable from reinsurers	(78.2)	61.4	(16.8)	140.0	141.5	281.5
Net expense from reinsurance contracts held	**(252.8)**	**(188.8)**	**(441.6)**	**(12.7)**	**(77.6)**	**(90.3)**
Insurance service result	**207.9**	**174.2**	**382.1**	**19.4**	**122.2**	**141.6**
Net insurance ratio	**61.5%**	**68.6%**	**65.1%**	**95.2%**	**72.7%**	**83.4%**

Gross premiums written
Gross premiums written increased by $279.4 million or 16.9% during 2023 compared to 2022. Excluding the impact of reinstatement premiums and multi-year contracts, underlying growth in gross premiums written was 17.8%. The Group’s two principal segments, and the key market factors impacting them, are discussed below.

Reinsurance segment
The increase in the reinsurance segment was primarily driven by new business in the casualty reinsurance classes as well as the continued successful build out of our specialty reinsurance classes in a strong rating environment. The property reinsurance classes also benefited from strong RPIs and new business, albeit these were somewhat offset by a lower level of reinstatement premiums than in 2022 due to higher catastrophe losses in that year. Overall, the RPI was 122% for the reinsurance segment up from 108% in the prior year.

Insurance segment
The increase in the insurance segment was primarily due to strong growth in our property insurance lines of business, which include property direct and facultative and also property construction. In these classes we are seeing the benefit of a strong rating environment and also a more mature book of business following the decision to add new teams in recent years. Gross premiums written in the energy and marine lines also increased meaningfully with new business across all lines of business and rate and

exposure increases in power and energy liabilities classes. To a lesser extent, new business contributed to growth across all of our casualty insurance lines of business. Rate and exposure increases were the driver of growth in aviation insurance. Overall, the RPI was 110% for the insurance segment.

Insurance revenue

Insurance revenue comprises gross premiums earned less inwards reinstatement premium, and is net of commission costs. Insurance revenue increased by $293.4 million or 23.9% in 2023 compared to the same period in 2022. The market factors driving the increase in casualty reinsurance, property insurance and energy & marine insurance gross premiums written also drove the increase in insurance revenue recognised in the period.

Allocation of reinsurance premiums

Allocation of reinsurance premiums comprises ceded earned premium less outward reinstatement premiums, and is net of outward commission costs. Allocation of reinsurance premiums increased $53.0 million or 14.3% in 2023 compared to the prior year. This increase was largely the result of the rate increases experienced upon renewal of the Group's outwards reinsurance programme, additional cover purchased for some of the newer lines of business and a higher level of quota share reinsurance spend driven by the growth in insurance revenue. Overall, the allocation of reinsurance premiums as a percentage of insurance revenue was 27.9% down from 30.3% in the prior year.

Net claims

During 2023, the Group experienced net losses (undiscounted, including reinstatement premiums) from catastrophe, weather and large loss events totalling $106.1 million. None of these events were individually material for the Group.

In comparison, during 2022, the Group experienced net losses (undiscounted, including reinstatement premiums) from catastrophe, weather and large loss events of $329.4 million. Within this, catastrophe and weather-related losses for the year ended 31 December 2022, were $232.4 million. This included $181.0 million from hurricane Ian. Large losses for the year amounted to $97.0 million.

Prior year development comprises the undiscounted movement in loss reserves, expense provisions and reinstatement premiums. Favourable development was $78.8 million in 2023 compared to favourable development of $134.3 million in 2022. In 2023, there were reductions in reserves for some of the 2022 natural catastrophe events. The 2022 year included reserve reductions from natural catastrophe loss events in the 2019 and 2018 accident years as well as relatively large beneficial claims settlements on risk losses in the 2017 accident year.

Net discounting benefit

The table below shows the total net impact of discounting under IFRS 17, by financial statement line item.

For the year ended 31 December 2023	Insurance contracts issued $m	Reinsurance contracts held $m	Total $m
Initial discount included in insurance service result	**101.9**	**(17.2)**	**84.7**
Unwind of discount	(84.2)	28.4	(55.8)
Impact of change in assumptions	(14.1)	3.3	(10.8)
Finance (expense) income	**(98.3)**	**31.7**	**(66.6)**
Total net discounting income	**3.6**	**14.5**	**18.1**

For the year ended 31 December 2022	Insurance contracts issued $m	Reinsurance contracts held $m	Total $m
Initial discount included in insurance service result	**109.1**	**(36.6)**	**72.5**
Unwind of discount	(39.7)	13.7	(26.0)
Impact of change in assumptions	59.8	(20.4)	39.4
Finance income (expense)	**20.1**	**(6.7)**	**13.4**
Total net discounting income (expense)	**129.2**	**(43.3)**	**85.9**

In 2023 discount rates across all our major currencies were at a relatively high level throughout the year with a small decrease in the fourth quarter. This drove the high initial discount impact and relatively low change in assumption impact.

In comparison, 2022 began in a relatively low discount rate environment, which then experienced significant increases across all currencies throughout the year. This increase in rates resulted in a favourable $39.4 million impact from the change in discount rate assumptions. This was only partly offset by $26.0 million unwind of the initial discount previously recognised in relation to prior accident years that had been set in a lower rate environment.

Investments

For the year ended 31 December	2023 $m	2022 $m
Total net investment return	160.5	(76.7)

Net investment income, excluding realised and unrealised gains and losses, was $108.5 million in 2023, an increase of 94.8% compared to 2022. Total investment return, including net investment income, net realised gains and losses and net change in unrealised gains and losses, was $160.5 million in 2023 compared to a loss of $76.7 million in 2022.

In a year of continued volatility, the investment portfolio generated an investment return of 5.7%. The returns were driven primarily from investment income given the higher yields during the year. While the Federal Reserve raised rates by 1.0% this year, the higher yields and tighter spreads mitigated any losses on the portfolio. In addition, the risk assets, notably the bank loans, hedge funds and private credit, all contributed positively to the overall investment return.

In 2022, the investment portfolio generated a negative return of 3.5%. The returns were driven primarily from interest rate increases and the widening of credit spreads, resulting in losses in all asset classes, most of which were unrealised.

The managed portfolio was invested as follows:

As at	31 December 2023	31 December 2022
Fixed maturity securities	2,280.1	1,964.9
Managed cash and cash equivalents	263.8	260.8
Private investment funds	165.6	108.1
Hedge funds	9.9	103.9
Index linked securities	–	28.2
Other investments	(0.1)	(0.2)
Total	**2,719.3**	**2,465.7**

Key investment portfolio statistics for our fixed maturity securities and managed cash and cash equivalents were:

As at	31 December 2023	31 December 2022
Duration	1.6 years	1.6 years
Credit quality	AA-	AA-
Book yield	4.0%	2.9%
Market yield	5.3%	5.0%

Other operating expenses

For the year ended 31 December	2023 $m	2022 $m
Operating expenses - fixed	147.9	118.9
Operating expenses - variable	41.7	9.8
Total operating expenses	**189.6**	**128.7**
Directly attributable expenses allocated to insurance service expenses	(82.2)	(70.4)
Other operating expenses	**107.4**	**58.3**

A significant driver of the increase in operating expenses is the increase in variable costs related to remuneration of $31.9 million given the strong financial performance of the Group. Fixed expenses have increased by 24.4% or $29.0 million largely due to the Group's growth and subsequent impact on headcount. IT and consulting expenses also increased during the year as we focused on upgrading our systems and data capabilities.

For the year ended 31 December 2023, $82.2 million of operating expenses were considered directly attributable to the fulfillment of (re)insurance contracts issued, and have therefore been re-allocated to insurance service expenses and form part of the insurance service result. This compares to $70.4 million in 2022.

Capital

As at 31 December 2023, total capital available to Lancashire was approximately $2.0 billion, comprising shareholders' equity of $1.5 billion and $0.5 billion of long-term debt. Tangible capital was approximately $1.8 billion. Leverage was 22.8% on total capital and 25.2% on tangible capital. Total capital and total tangible capital as at 31 December 2022 were $1.8 billion and $1.6 billion respectively.

Share repurchases

During the period commencing 22 November 2023 and ending on 29 February 2024, the Company had authorised a share repurchase programme of its common shares of US$0.50 each up to a maximum consideration of $50.0 million. No shares were repurchased under the programme.

No other share repurchase programmes were conducted during the year ended 31 December 2023.

Dividends

The Lancashire Board declared the following dividends during 2023:

- A final dividend relating to 2022 of $0.10 per common share;
- An interim dividend of $0.05 per common share; and
- A special dividend of $0.50 per common share.

Lancashire's Board of Directors has declared a special dividend of $0.50 per common share (approximately £0.39 per common share at the current exchange rate), which will result in an aggregate payment of approximately $119.0 million. The dividend will be paid in Pounds Sterling on 12 April 2024 (the "Dividend Payment Date") to shareholders of record on 15 March 2024 (the "Record Date") using the £ / $ spot market exchange rate at 12 noon London time on the Record Date.

Lancashire also announces that its Board of Directors has declared a final dividend of $0.15 (approximately £0.12) per common share, subject to a shareholder vote of approval at the AGM to be held on 1 May 2024, which will result in an aggregate payment of approximately $36.0 million. On the basis that the final dividend is approved by shareholders at the AGM, the dividend will be paid in Pounds Sterling on 7 June 2024 (the "Dividend Payment Date") to shareholders of record on 10 May 2024 (the "Record Date") using the £ / $ spot market exchange rate at 12 noon London time on the Record Date.

Shareholders interested in participating in the dividend reinvestment plan ("DRIP"), or other services including international payment, are encouraged to contact the Group's registrars, Link Asset Services, for more details.

Financial Information

The Audited Consolidated Financial Statements for the year ended 31 December 2023 are published on Lancashire's website at www.lancashiregroup.com.

The 2023 Annual Report and Accounts is expected to be circulated to shareholders from 28 March 2024 and will also be made available on Lancashire's website.

Analyst and Investor Earnings Conference Call

There will be an analyst and investor conference call on the results at 2:00pm UK time / 10.00am Bermuda time / 9:00am EST on Wednesday 6 March 2024. The conference call will be hosted by Lancashire management.

Participant Registration and Access Information:

Audio conference call access:
https://register.vevent.com/register/BIf8f1a27e067c40e98739676b3f580b75
Please register at this link to obtain your personal audio conference pin and call details.

Webcast access:
https://onlinexperiences.com/Launch/QReg/ShowUUID=B37C903A-EC6D-46A1-98CD-D8524C58A8FC
Please use this link to register and access the call via webcast.

A webcast replay facility will be available for 12 months and accessible at:
https://www.lancashiregroup.com/en/investors/results-reports-and-presentations.html

For further information, please contact:

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About Lancashire
Lancashire, through its UK and Bermuda-based operating subsidiaries, is a provider of global specialty insurance and reinsurance products. The Group companies carry the following ratings:

	Financial Strength Rating[1]	Financial Strength Outlook[1]	Long Term Issuer Rating[2]
A.M. Best	A (Excellent)	Stable	bbb+
S&P Global Ratings	A-	Stable	BBB
Moody's	A3	Stable	Baa2

1. Financial Strength Rating and Financial Strength Outlook apply to Lancashire Insurance Company Limited and Lancashire Insurance Company (UK) Limited.
2. Long Term Issuer Rating applies to Lancashire Holdings Limited.

Lancashire Syndicates Limited benefits from Lloyd's ratings: A.M. Best: A (Excellent); S&P Global Ratings: A+ (Strong); and Fitch: AA- (Very Strong).

Lancashire's common shares trade on the premium segment of the Main Market of the London Stock Exchange under the ticker symbol LRE. Lancashire has its head office and registered office at Power House, 7 Par-la-Ville Road, Hamilton HM 11, Bermuda.

The Bermuda Monetary Authority is the Group Supervisor of the Lancashire Group.

For more information, please visit Lancashire's website at www.lancashiregroup.com.

This release contains information, which may be of a price sensitive nature, that Lancashire is making public in a manner consistent with the UK Market Abuse Regulation and other regulatory obligations. The information was submitted for publication, through the agency of the contact persons set out above, at 07:00 GMT on 6 March 2024.

Alternative Performance Measures (APMs)

As is customary in the insurance industry, the Group also utilises certain non-GAAP measures in order to evaluate, monitor and manage the business and to aid users' understanding of the Group. Management believes that the APMs included in the Financial Statements are important for understanding the Group's overall results of operations and may be helpful to investors and other interested parties who may benefit from having a consistent basis for comparison with other companies within the industry. However, these measures may not be comparable to similarly labelled measures used by companies inside or outside the insurance industry. In addition, the information contained herein should not be viewed as superior to, or a substitute for, the measures determined in accordance with the accounting principles used by the Group for its audited consolidated financial statements or in accordance with GAAP.

In compliance with the Guidelines on APMs of the European Securities and Markets Authority and as suggested by the Financial Reporting Council, as applied by the Financial Conduct Authority, information on APMs which the Group uses is described below. This information has not been audited.

Effective from 1 January 2023, the Group adopted IFRS 9, Financial Instruments: Classification and Measurement and IFRS 17: Insurance Contracts. These new accounting standards resulted in a change to some of the Group's longstanding APMs. Comparatives have been restated to reflect the consistent application of IFRS 9 and IFRS 17, and to align with the current definition of the APMs.

All amounts, excluding share data, ratios, percentages, or where otherwise stated, are in millions of U.S. dollars.

Net insurance ratio:

Ratio, in per cent, of net insurance expenses to net insurance revenue. Net insurance expenses represent the insurance service expenses less amounts recoverable from reinsurers. Net insurance revenue represents insurance revenue less allocation of reinsurance premium. This ratio gives an indication of the underlying profitability per $1.00 of net insurance revenue in the financial year.

		Restated
For the year ended 31 December	**2023**	**2022**
Insurance service expense	696.2	994.6
Amounts recoverable from reinsurers	16.8	(281.5)
Net insurance expense	**713.0**	**713.1**
Insurance revenue	1,519.9	1,226.5
Allocation of reinsurance premium	(424.8)	(371.8)
Net insurance revenue	**1,095.1**	**854.7**
Net insurance ratio	**65.1%**	**83.4%**

Operating expense ratio:

Ratio, in per cent, of other operating expenses, excluding restricted stock expenses, to net insurance revenue. This ratio gives an indication of the amount of operating expenses expected to be paid out per $1.00 of net insurance revenue in the financial year.

		Restated
For the year ended 31 December	**2023**	**2022**
Other operating expenses	107.4	58.3
Net insurance revenue	1,095.1	854.7
Operating expense ratio	**9.8%**	**6.8%**

Combined ratio (discounted):

Ratio, in per cent, of the sum of net insurance expenses plus other operating expenses to net insurance revenue.

		Restated
For the year ended 31 December	**2023**	**2022**
Net insurance ratio	65.1%	83.4%
Net operating expense ratio	9.8%	6.8%
Combined ratio (discounted)	**74.9%**	**90.2%**

Combined ratio (undiscounted) (KPI):

Ratio, in per cent, of the sum of net insurance expense plus other operating expenses to net insurance revenue. This ratio excludes the impact of the discounting recognised within net insurance expenses. The Group aims to price its business, to ensure that the combined ratio (undiscounted) across the cycle is less than 100%.

		Restated
For the year ended 31 December	**2023**	**2022**
Combined ratio	74.9%	90.2%
Discount included in net insurance expense	84.7	72.5
Net insurance revenue	1,095.1	854.7
Discounting impact on combined ratio	7.7%	8.5%
Combined ratio (undiscounted)	**82.6%**	**98.7%**

Diluted book value per share ('DBVS') attributable to the Group:

Calculated based on the value of the total shareholders' equity attributable to the Group and dilutive restricted stock units as calculated under the treasury method, divided by the sum of all shares and dilutive restricted stock units, assuming all are exercised. This shows the Group net asset value on a diluted per share basis for comparison to the market value per share.

As at	31 December 2023	Restated 31 December 2022
Shareholders' equity attributable to the Group	1,507,869,627	1,326,124,728
Common voting shares outstanding*	239,037,977	238,333,570
Shares relating to dilutive restricted stock	5,355,909	3,700,547
Fully converted book value denominator	244,393,886	242,034,117
Diluted book value per share	**$6.17**	**$5.48**

*Common voting shares outstanding comprise issued share capital less amounts held in trust.

Change in DBVS (KPI):

The internal rate of return of the change in DBVS in the period plus accrued dividends. Sometimes referred to as RoE. The Group's aim is to maximise risk-adjusted returns for shareholders across the cycle through a purposeful and sustainable business culture.

As at	31 December 2023	Restated 31 December 2022
Opening DBVS	$5.48	$5.70
Q1 dividend per share	—	—
Q2 dividend per share	$0.10	$0.10
Q3 dividend per share	$0.05	$0.05
Q4 dividend per share	$0.50	—
Closing DBVS	$6.17	$5.48
Change in DBVS*	**24.7%**	**(1.2%)**

*Calculated using the internal rate of return

Total investment return (KPI):

Total investment return in percentage terms is calculated by dividing the total investment return by the investment portfolio net asset value, including managed cash on a daily basis. These daily returns are then annualised through geometric linking of daily returns. The return can be approximated by dividing the total investment return excluding foreign exchange by the average portfolio net asset value, including managed cash. The Group's primary investment objectives are to preserve capital and provide adequate liquidity to support the Group's payment of claims and other obligations. Within this framework, the Group aims for a degree of investment portfolio return.

For the year ended 31 December	2023	2022
Total investment return	160.5	(76.7)
Average invested assets*	2,592.5	2,387.0
Approximate total investment return	6.2%	(3.2%)
Reported total investment return	**5.7%**	**(3.5%)**

*Calculated as the average between the opening and closing investments and our externally managed cash.

Total shareholder return (KPI):

The increase/(decrease) in share price in the period, measured on a total return basis, which assumes the reinvestment of dividends. The Group's aim is to maximise the Change in DBVS over the longer term, and we would expect that to be reflected in our share price and multiple. This is a long-term goal, recognising that the cyclicality and volatility of both the insurance market and the financial markets in general will impact management's ability to maximise the Change in DBVS in the immediate term. The total return measurement basis used will generally approximate the simple method of calculating the increase/(decrease) in share price adjusted for dividends as recalculated below.

As at	31 December 2023	31 December 2022
Opening share price	$7.86	$7.17
Q1 dividend per share	—	—
Q2 dividend per share	$0.10	$0.10
Q3 dividend per share	$0.05	$0.05
Q4 dividend per share + closing share price	$8.46	$7.86
Total shareholder return	**9.5%**	**11.7%**

Gross premiums written:

The Group adopted IFRS 17 on 1 January 2023. Under IFRS 4, the previous insurance accounting standard, the Group reported gross premiums written on the consolidated income statement as amounts payable by the insured, excluding any taxes or duties levied on the premium, including brokerage and commission deducted by intermediaries and any inwards reinstatement premiums. The Group continues to report gross premiums written as a growth metric and non-GAAP APM.

The table below reconciles gross premiums written on an IFRS 4 basis to insurance revenue on an IFRS 17 basis.

For the year ended 31 December	2023	2022
Gross premiums written*	1,931.7	1,652.3
Change in unearned premiums*	(207.7)	(223.2)
Gross earned premium*	**1,724.0**	**1,429.1**
Less reinstatement premium and expected premium	(7.1)	(45.3)
Less commission and non-distinct investment components	(197.0)	(157.3)
Total insurance revenue	**1,519.9**	**1,226.5**

* Numbers presented in the table above for the comparative period are as previously reported for the year ending 31 December 2022.

Gross premiums written under management (KPI):

The gross premiums written under management equals the total of the Group's consolidated gross premiums written, plus the external names portion of the gross premiums written in Syndicate 2010, plus the gross premiums written in Lancashire Capital Management Limited on behalf of Kinesis Reinsurance Limited. The Group aims to operate nimbly through the insurance cycle. We will grow in existing and new classes where favourable and improving market conditions exist, whilst monitoring and managing our risk exposures and not seek top-line growth for the sake of it in markets where we do not believe the right opportunities exist.

For the year ended 31 December	2023	2022
Gross premiums written by the Group	1,931.7	1,652.3
LSL Syndicate 2010 - external Names portion of gross premiums written (unconsolidated)	140.5	160.0
LCM gross premiums written (unconsolidated)	—	38.4
Total gross premiums written under management	**2,072.2**	**1,850.7**

NOTE REGARDING RPI METHODOLOGY

THE RENEWAL PRICE INDEX ("RPI") IS AN INTERNAL METHODOLOGY THAT MANAGEMENT USES TO TRACK TRENDS IN PREMIUM RATES OF A PORTFOLIO OF INSURANCE AND REINSURANCE CONTRACTS. THE RPI WRITTEN IN THE RESPECTIVE SEGMENTS IS CALCULATED ON A PER CONTRACT BASIS AND REFLECTS MANAGEMENT'S ASSESSMENT OF RELATIVE CHANGES IN PRICE, TERMS, CONDITIONS AND LIMITS AND IS WEIGHTED BY PREMIUM VOLUME. THE RPI DOES NOT INCLUDE NEW BUSINESS, TO OFFER A CONSISTENT BASIS FOR ANALYSIS. THE CALCULATION INVOLVES A DEGREE OF JUDGEMENT IN RELATION TO COMPARABILITY OF CONTRACTS AND THE ASSESSMENT NOTED ABOVE. TO ENHANCE THE RPI METHODOLOGY, MANAGEMENT MAY REVISE THE METHODOLOGY AND ASSUMPTIONS UNDERLYING THE RPI, SO THE TRENDS IN PREMIUM RATES REFLECTED IN THE RPI MAY NOT BE COMPARABLE OVER TIME. CONSIDERATION IS ONLY GIVEN TO RENEWALS OF A COMPARABLE NATURE SO IT DOES NOT REFLECT EVERY CONTRACT IN THE PORTFOLIO OF CONTRACTS. THE FUTURE PROFITABILITY OF THE PORTFOLIO OF CONTRACTS WITHIN THE RPI IS DEPENDENT UPON MANY FACTORS BESIDES THE TRENDS IN PREMIUM RATES.

NOTE REGARDING FORWARD-LOOKING STATEMENTS:

CERTAIN STATEMENTS AND INDICATIVE PROJECTIONS (WHICH MAY INCLUDE MODELLED LOSS SCENARIOS) MADE IN THIS RELEASE OR OTHERWISE THAT ARE NOT BASED ON CURRENT OR HISTORICAL FACTS ARE FORWARD-LOOKING IN NATURE INCLUDING, WITHOUT LIMITATION, STATEMENTS CONTAINING THE WORDS "BELIEVES", "AIMS", "ANTICIPATES", "PLANS", "PROJECTS", "FORECASTS", "GUIDANCE", "POLICY", "INTENDS", "EXPECTS", "ESTIMATES", "PREDICTS", "MAY", "CAN", "LIKELY", "WILL", "SEEKS", "SHOULD", OR, IN EACH CASE, THEIR NEGATIVE OR COMPARABLE TERMINOLOGY. SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE GROUP TO BE MATERIALLY DIFFERENT FROM FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THESE FACTORS INCLUDE, BUT ARE NOT LIMITED TO: THE IMPACT OF THE ONGOING CONFLICT IN UKRAINE, INCLUDING ANY ESCALATION OR EXPANSION THEREOF, ON THE GROUP'S CLIENTS, RESERVES, THE CONTINUED UNCERTAINTY OF THE SITUATION IN RUSSIA, INCLUDING ISSUES RELATING TO COVERAGE AND THE IMPACT OF SANCTIONS, THE SECURITIES IN OUR INVESTMENT PORTFOLIO AND ON GLOBAL FINANCIAL MARKETS GENERALLY, AS WELL AS ANY GOVERNMENTAL OR REGULATORY CHANGE ARISING THEREFROM; AND A CONTINUATION IN FINANCIAL MARKET VOLATILITY AND OTHER ADVERSE MARKET CONDITIONS GENERALLY; THE IMPACT OF HOSTILITIES IN THE MIDDLE EAST, INCLUDING ANY ESCALATION THEREOF AND ITS IMPACT ON THE STABILITY OF THE REGION, GLOBAL SUPPLY ROUTES AND INSURANCE AND FINANCIAL MARKETS; THE ACTUAL DEVELOPMENT OF LOSSES AND EXPENSES IMPACTING ESTIMATES FOR CLAIMS WHICH ARISE AS A RESULT OF HURRICANE IAN, WHICH OCCURRED IN THE THIRD QUARTER OF 2022, THE COVID-19 PANDEMIC, THE KENTUCKY TORNADOES, HURRICANE IDA AND THE EUROPEAN STORMS WHICH OCCURRED IN THE SECOND HALF OF 2021, WINTER STORM URI WHICH OCCURRED DURING THE FIRST QUARTER OF 2021, HURRICANES LAURA AND SALLY, THE MIDWEST DERECHO STORM AND THE WILDFIRES IN CALIFORNIA WHICH OCCURRED IN 2020, THE 2020 AND 2021 LARGE LOSS EVENTS ACROSS THE GROUP'S SPECIALTY BUSINESS LINES, TYPHOON HAGIBIS IN THE FOURTH QUARTER OF 2019, HURRICANE DORIAN AND TYPHOON FAXAI IN THE THIRD QUARTER OF 2019, THE CALIFORNIAN WILDFIRES AND HURRICANE MICHAEL WHICH OCCURRED IN THE FOURTH QUARTER OF 2018, HURRICANE FLORENCE, THE TYPHOONS AND MARINE LOSSES THAT OCCURRED IN THE THIRD QUARTER OF 2018, HURRICANES HARVEY, IRMA AND MARIA AND THE EARTHQUAKES IN MEXICO, THAT OCCURRED IN THE THIRD QUARTER OF 2017 AND THE WILDFIRES WHICH IMPACTED PARTS OF CALIFORNIA DURING 2017; THE IMPACT OF COMPLEX AND UNIQUE CAUSATION AND COVERAGE ISSUES ASSOCIATED WITH ATTRIBUTION OF LOSSES TO WIND OR FLOOD DAMAGE OR OTHER PERILS SUCH AS FIRE OR BUSINESS INTERRUPTION RELATING TO SUCH EVENTS; POTENTIAL UNCERTAINTIES RELATING TO REINSURANCE RECOVERIES, REINSTATEMENT PREMIUMS AND OTHER FACTORS INHERENT IN LOSS ESTIMATIONS; THE GROUP'S ABILITY TO INTEGRATE ITS BUSINESS AND PERSONNEL; THE SUCCESSFUL RETENTION AND MOTIVATION OF THE GROUP'S KEY MANAGEMENT; THE INCREASED REGULATORY BURDEN FACING THE GROUP; THE NUMBER AND TYPE OF INSURANCE AND REINSURANCE CONTRACTS THAT THE GROUP WRITES OR MAY WRITE; THE GROUP'S ABILITY TO SUCCESSFULLY IMPLEMENT ITS BUSINESS STRATEGY DURING 'SOFT' AS WELL AS 'HARD' MARKETS; THE PREMIUM RATES WHICH MAY BE AVAILABLE AT THE TIME OF SUCH RENEWALS WITHIN ITS TARGETED BUSINESS LINES; POTENTIALLY UNUSUAL LOSS FREQUENCY; THE IMPACT THAT THE GROUP'S FUTURE OPERATING RESULTS, CAPITAL POSITION AND RATING AGENCY AND OTHER CONSIDERATIONS MAY HAVE ON THE EXECUTION OF ANY CAPITAL MANAGEMENT INITIATIVES OR DIVIDENDS; THE POSSIBILITY OF GREATER FREQUENCY OR SEVERITY OF CLAIMS AND LOSS ACTIVITY THAN THE GROUP'S UNDERWRITING, RESERVING OR INVESTMENT PRACTICES HAVE ANTICIPATED; THE RELIABILITY OF, AND CHANGES IN ASSUMPTIONS TO, CATASTROPHE PRICING, ACCUMULATION AND ESTIMATED LOSS MODELS; INCREASED COMPETITION FROM EXISTING ALTERNATIVE CAPITAL PROVIDERS AND INSURANCE-LINKED FUNDS AND COLLATERALISED SPECIAL PURPOSE INSURERS, AND THE RELATED DEMAND AND SUPPLY DYNAMICS AS CONTRACTS COME UP FOR RENEWAL; THE EFFECTIVENESS OF ITS LOSS LIMITATION METHODS; THE POTENTIAL LOSS OF KEY PERSONNEL; A DECLINE IN THE GROUP'S OPERATING SUBSIDIARIES' RATINGS WITH A.M. BEST, S&P GLOBAL RATINGS, MOODY'S OR OTHER RATING AGENCIES; INCREASED COMPETITION ON THE BASIS OF PRICING, CAPACITY, COVERAGE TERMS OR OTHER FACTORS; CYCLICAL DOWNTURNS OF THE INDUSTRY; THE IMPACT OF A DETERIORATING CREDIT ENVIRONMENT FOR ISSUERS OF FIXED MATURITY INVESTMENTS; THE IMPACT OF SWINGS IN MARKET INTEREST RATES, CURRENCY EXCHANGE RATES AND SECURITIES PRICES; CHANGES BY CENTRAL BANKS REGARDING THE LEVEL OF INTEREST RATES; THE IMPACT OF INFLATION OR DEFLATION IN RELEVANT ECONOMIES IN WHICH THE GROUP OPERATES; THE EFFECT, TIMING AND OTHER UNCERTAINTIES SURROUNDING FUTURE BUSINESS COMBINATIONS WITHIN THE INSURANCE AND REINSURANCE INDUSTRIES; THE IMPACT OF TERRORIST ACTIVITY IN THE COUNTRIES IN WHICH THE GROUP WRITES RISKS; A RATING DOWNGRADE OF, OR A MARKET DECLINE IN, SECURITIES IN ITS INVESTMENT PORTFOLIO; CHANGES IN GOVERNMENTAL REGULATIONS OR TAX LAWS IN JURISDICTIONS WHERE THE GROUP CONDUCTS BUSINESS; LANCASHIRE OR ITS BERMUDIAN SUBSIDIARIES BECOMING SUBJECT TO INCOME TAXES IN THE UNITED STATES OR IN THE UNITED KINGDOM; THE IMPACT OF THE CHANGE IN TAX RESIDENCE ON STAKEHOLDERS OF THE GROUP; THE AVAILABILITY TO THE GROUP OF THE EXCLUSION THAT REMOVES COMPANIES WITH A LIMITED INTERNATIONAL PRESENCE FROM THE SCOPE OF BERMUDA INCOME TAX FOR A PERIOD OF UP TO FIVE YEARS FROM 1 JANUARY 2025; THE FOCUS AND SCRUTINY ON ESG-RELATED MATTERS REGARDING THE INSURANCE INDUSTRY FROM KEY STAKEHOLDERS OF THE GROUP, AND ANY ADVERSE ASSET, CREDIT, FINANCING OR DEBT OR CAPITAL MARKET CONDITIONS GENERALLY WHICH MAY AFFECT THE ABILITY OF THE GROUP TO MANAGE ITS LIQUIDITY. ANY ESTIMATES RELATING TO LOSS EVENTS INVOLVE THE EXERCISE OF CONSIDERABLE JUDGEMENT AND REFLECT A COMBINATION OF GROUND-UP EVALUATIONS, INFORMATION AVAILABLE TO DATE FROM BROKERS AND INSUREDS, MARKET INTELLIGENCE, INITIAL AND/OR TENTATIVE LOSS REPORTS AND OTHER SOURCES. JUDGEMENTS IN RELATION TO LOSS ARISING FROM NATURAL CATASTROPHE AND MAN-MADE EVENTS ARE INFLUENCED BY COMPLEX FACTORS. THE GROUP CAUTIONS AS TO THE PRELIMINARY NATURE OF THE INFORMATION USED TO PREPARE SUCH ESTIMATES AS SUBSEQUENTLY AVAILABLE INFORMATION MAY CONTRIBUTE TO AN INCREASE IN THESE TYPES OF LOSSES. ALL FORWARD-LOOKING STATEMENTS IN THIS RELEASE OR OTHERWISE SPEAK ONLY AS AT THE DATE OF PUBLICATION. LANCASHIRE EXPRESSLY DISCLAIMS ANY OBLIGATION OR UNDERTAKING (SAVE AS REQUIRED TO COMPLY WITH ANY LEGAL OR REGULATORY OBLIGATIONS INCLUDING THE RULES OF THE LONDON STOCK EXCHANGE) TO DISSEMINATE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT TO REFLECT ANY CHANGES IN THE GROUP'S EXPECTATIONS OR CIRCUMSTANCES ON WHICH ANY SUCH

STATEMENT IS BASED. ALL SUBSEQUENT WRITTEN AND ORAL FORWARD-LOOKING STATEMENTS ATTRIBUTABLE TO THE GROUP OR INDIVIDUALS ACTING ON BEHALF OF THE GROUP ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THIS NOTE. PROSPECTIVE INVESTORS SHOULD SPECIFICALLY CONSIDER THE FACTORS IDENTIFIED IN THIS RELEASE AND THE REPORT AND ACCOUNTS NOTED ABOVE WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER BEFORE MAKING AN INVESTMENT DECISION.

Consolidated statement of comprehensive income

For the year ended 31 December	2023 $m	Restated 2022 $m
Insurance revenue	1,519.9	1,226.5
Insurance service expenses	(696.2)	(994.6)
Insurance service result before reinsurance contracts held	**823.7**	**231.9**
Allocation of reinsurance premium	(424.8)	(371.8)
Amounts recoverable from reinsurers	(16.8)	281.5
Net expense from reinsurance contracts held	**(441.6)**	**(90.3)**
Insurance service result	**382.1**	**141.6**
Net investment return	160.5	(76.7)
Finance (expense) income from insurance contracts issued	(98.3)	20.1
Finance income (expense) from reinsurance contracts held	31.7	(6.7)
Net insurance and investment result	**476.0**	**78.3**
Share of profit (loss) of associate	12.1	(5.4)
Other income	2.9	6.5
Net foreign exchange losses	(4.1)	(0.6)
Other operating expenses	(107.4)	(58.3)
Equity based compensation	(15.2)	(8.6)
Financing costs	(31.6)	(29.2)
Profit (loss) before tax	**332.7**	**(17.3)**
Tax (charge) credit	(11.2)	1.8
Profit (loss) after tax	**321.5**	**(15.5)**
Earnings (loss) per share		
Basic	$1.35	($0.06)
Diluted	$1.32	($0.06)

Consolidated statement of financial position

As at	31 December 2023 $m	Restated December 2022 $m	Restated 1 January 2022 $m
Assets			
Cash and cash equivalents	756.9	548.8	517.7
Accrued interest receivable	16.7	11.3	7.1
Investments	2,455.5	2,204.9	2,048.1
Reinsurance contract assets	387.8	474.3	326.5
Other receivables	58.4	30.0	18.8
Corporation tax receivable	—	1.1	—
Investment in associate	16.2	59.7	120.1
Right-of-use assets	19.3	20.3	13.4
Property, plant and equipment	9.8	1.1	0.8
Intangible assets	181.1	172.4	157.9
Total assets	**3,901.7**	**3,523.9**	**3,210.4**
Liabilities			
Insurance contract liabilities	1,823.7	1,673.5	1,302.3
Other payables	80.6	44.6	37.4
Corporation tax payable	2.0	—	1.6
Deferred tax liability	16.2	10.3	11.6
Lease liabilities	24.7	23.3	17.9
Long-term debt	446.6	446.1	445.7
Total liabilities	**2,393.8**	**2,197.8**	**1,816.5**
Shareholders' equity			
Share capital	122.0	122.0	122.0
Own shares	(29.7)	(34.0)	(18.1)
Other reserves	1,233.2	1,221.9	1,221.6
Retained earnings	182.4	16.2	67.9
Total shareholders’ equity attributable to equity shareholders of LHL	**1,507.9**	**1,326.1**	**1,393.4**
Non-controlling interests	—	—	0.5
Total shareholders’ equity	1,507.9	1,326.1	1,393.9
Total liabilities and shareholders’ equity	**3,901.7**	**3,523.9**	**3,210.4**

Consolidated statements of cash flows

For the year ended 31 December	2023 $m	Restated 2022 $m
Cash flows from operating activities		
Profit (loss) before tax	332.7	(17.3)
Adjustments for:		
Tax paid	(1.9)	(2.1)
Depreciation	4.3	3.1
Amortisation on intangible assets	0.2	–
Impairment of intangible assets	1.4	–
Interest expense on long-term debt	25.8	25.8
Interest expense on lease liabilities	1.5	0.8
Interest income	(95.4)	(46.1)
Dividend income	(11.3)	(8.1)
Net unrealised (gains) losses on investments	(53.4)	103.0
Net realised (gains) losses on investments	(3.9)	24.7
Equity based compensation	15.2	8.6
Foreign exchange losses (gains)	3.9	(7.9)
Share of (profit) loss of associate	(12.1)	5.4
Changes in operational assets and liabilities		
– Insurance and reinsurance contracts	220.4	239.7
– Other assets and liabilities	14.5	(5.8)
Net cash flows from operating activities	**441.9**	**323.8**
Cash flows used in investing activities		
Interest income received	90.0	41.9
Dividend income received	11.3	8.1
Purchase of property, plant and equipment	(9.6)	(0.7)
Purchase of underwriting capacity	(3.3)	(4.2)
Internally generated intangible asset	(7.0)	(10.3)
Investment in associate	55.6	55.0
Purchase of investments	(1,057.4)	(1,130.2)
Proceeds on sale of investments	866.1	845.5
Net cash flows used in investing activities	**(54.3)**	**(194.9)**
Cash flows used in financing activities		
Interest paid	(25.8)	(25.8)
Lease liabilities paid	(3.8)	(3.6)
Dividends paid	(155.3)	(36.2)
Share repurchases	–	(23.3)
Distributions by trust	(0.5)	(0.8)
Purchase of shares from non-controlling interest	–	(1.1)
Net cash flows used in financing activities	**(185.4)**	**(90.8)**
Net increase in cash and cash equivalents	202.2	38.1
Cash and cash equivalents at beginning of year	548.8	517.7
Effect of exchange rate fluctuations and other items on cash and cash equivalents	5.9	(7.0)
Cash and cash equivalents at end of year	**756.9**	**548.8**